Of course, achieving a net reduction in revenues is our goal, as well as our instructions.

Moreover, the Budget Act provision in question was not written with this situation in mind. It was not written to hinder refunds of a budget surplus. Rather, it was written to bar creative accounting provisions, such as those offered on this floor to delay the timing of expenditures, or to accelerate the timing of revenue.

These were one-time only provisions designed to occur at the end of the window—not for any policy reason but only to achieve compliance for a moment in time with the relevant instructions.

I remember a military pay installment was once moved from the last day of one fiscal year to the first day of the next year, which was outside the window, to achieve budgetary savings in the earlier years. But no provision of that sort is contained in this bill.

Rather, the question here is whether any tax relief can be permanent except for a very small percent of tax provisions.

It is a general rule that tax relief is permanent. This was true with the last tax bill, which provided an actual tax cut—the Tax Relief Act of 1997. But that bill was paired with a balanced budget act of the same year, the savings of which far exceeded the tax cut then provided.

Today, we face a new question under the Budget Act because it is unnecessary to pair this tax cut with another bill to cut spending. It is unnecessary because we have already achieved the goal that such a spending bill would hope to achieve, a surplus to fund a tax cut.

In my opinion, the Budget Act provision makes no sense if applied to the current circumstances.

Everything I have said applies in equal measure to the Democratic alternative, and every other tax cut Members are anxious to propose on the floor this week.

In sum, everyone thought we were instructed to achieve permanent tax relief. That was the commonsense understanding. That is the better tax policy. I urge support for the waiver to protect this legislation against an arcane budget rule never intended to apply to this situation.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from New York.

Mr. MOYNIHAN. As my good friend knows, at the end of my statement this morning I indicated I would raise this point of order against section 1502 of the bill, which takes the 10-year provisions of the bill before the Senate and extends them for an additional 10 years. That is clearly a violation of the Byrd rule which deals with increasing the deficit on a reconciliation bill.

I am surprised to find my friend refer to that provision as ''antiquated'' or ''arcane.'' We have spent 20 years trying to control this deficit. We quadrupled the national debt in 12 years, from 1980 to 1992. We have now reversed that. We have made the point on this floor that we are providing tax reductions from a projected surplus that has not occurred and may not occur. It certainly does not exist.

A few days ago, in a letter to the Democratic Members on our side, our dear friend, the chairman of the Committee on Foreign Relations, with respect to the Comprehensive Test Ban Treaty, used the word ''floccinau cinihilipilification,'' and it was reported in the press this morning. He got that word from the Senator from New York. Floccinau cinihilipilification is now the second longest word in the Oxford Dictionary. It is from a debate in the House of Commons in the 18th century meaning the futility of budgets. They never come out straight.

I had the opportunity to review an autobiography of John Kenneth Galbraith years back in the New Yorker magazine. I added ''ism'' to refer to the institutional nature of this, so it became floccinaucinihilipilificationism. It is no joke. One never gets it right. It is not because one cannot, one does not try.

''Exogenous'': Come in from the outside. Drought, hurricane, Asia goes to pieces. We don't know what will happen. We have this surplus that would match a $792 billion tax cut. However, does anybody believe we know enough about the decade beyond this one to continue these tax cuts, many of which take hold later in the first decade, such that the Treasury Department holds that in the second decade the revenue costs will be $1.9 trillion and the interest and consequence will be $1.1 trillion. So the total costs would be $3 trillion, which is almost four times the cost of the first decade.

Surely we cannot be so irresponsible. It speaks of hubris to suggest we know what is going to happen that far out. It speaks calamity, as well.

I see my friend from North Dakota. I yield to the Senator 5 minutes.

Mr. CONRAD. I thank the distinguished Senator from New York.

I rise to urge my colleagues to resist the move to waive the budget procedures. I think it is important to remember the history. The budget reconciliation process was devised to expedite consideration of deficit reduction measures. That was the purpose.

The bill before the Senate now perverts that process by using expedited procedures to secure enactment of a measure to increase the deficit. Fortunately, Senator BYRD crafted the Byrd rule to prevent abuse of reconciliation's expedited procedures. He did that to protect the fiscal integrity of the United States. This move to waive that rule is a move to undermine the fiscal integrity of the process. It ought to be resisted by every Member, especially those who profess to be conservative.

Section 313(b)(e) of the Byrd rule provides that any provision in the reconciliation bill that would decrease revenue in years beyond the budget window violates the Byrd rule and would be automatically stricken from the bill upon a point of order being waived.

It is clear this measure, this risky tax cut scheme, explodes in the second 10 years.

This chart shows what happens with the tax scheme being proposed. It starts out modestly, but it grows geometrically. In the second 10 years, it absolutely explodes. It goes from being an $800 billion tax cut over the first 10 years to being over a $2 trillion tax cut in the second 10 years.

Mr. MOYNIHAN. Will the Senator yield?

Mr. CONRAD. I am happy to yield to the Senator.

Mr. MOYNIHAN. I believe the Treasury Department estimated the second 10 years is a $1.9 trillion tax cut, but we have to add $1.1 trillion in interest payments, such that the total cost is $3 trillion.

Mr. CONRAD. The Senator is exactly right. The tax cut alone in the second 10 years is nearly $2 trillion. Obviously, there are additional costs. Because of additional interest costs, if you spend the money or run it in tax cuts, you lose the interest earnings. So you add to the interest costs of the United States. That is why Senator BYRD put in place this very wise rule, so we would not undermine the fiscal integrity of the United States. Now there is a move to waive that rule. It ought to be resisted. It ought to be defeated.

This morning a column in the Washington Post by Robert Samuelson addressed this issue in ''The Reagan Tax Myth.'' He pointed out the danger, the riskiness, the radical nature of the tax proposal before the Senate, and pointed out that it is all based on projections that very well may not come true.

In fact, he pointed out:

> . . . there is no case for big tax cuts based merely on paper projections of budget surpluses.

He pointed out:

> The projections, for example, assume a steep drop in both defense spending and domestic discretionary spending that may be unwise, particularly for defense.

He goes on to say:

> Suppose that spending exceeds projections by one percentage point of national income and that tax revenues fall below projections by the same amount. In today's dollars, these errors—not out of line with past mistakes—would total about $170 billion annually. Most of the future surpluses would vanish.

They would vanish.

Mr. President, I think it is very important. We have heard repeatedly from our friends on the other side of the aisle that they are only providing 25 percent of the surplus in tax cuts. They are not telling the whole story. They are being very selective about what they tell the American people. They say we have $3 trillion of projected surpluses—projected. Let's remember they are projected; they may